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FEBRUARY 1, 1988

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

A NEW DAY AT DANIELS

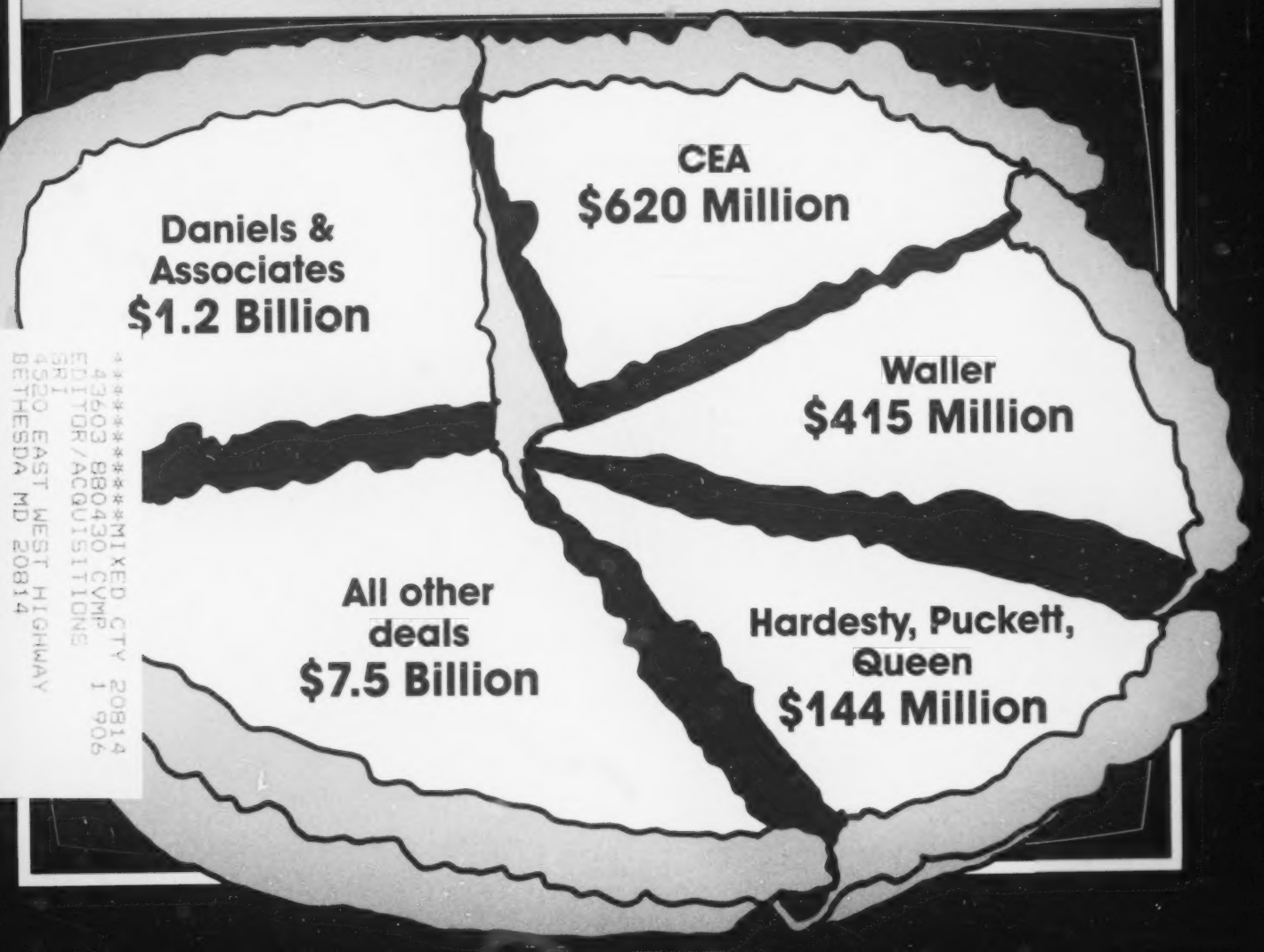
Z CHANNEL'S SPORTY NEW LOOK

PEACE BREAKS OUT WITH HOLLYWOOD

BASICS GET A CHANCE FOR BETTER FILMS

CABLE AVAILS ITSELF OF THE POLITICIANS

$10 BILLION IN CABLE DEALS: WHO GOT THEM AND WHY



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FRONT LINE

Z Channel's new game 12
It's always been known for innovative and esoteric programming, but now the Z Channel is playing a new game—baseball. Home games of the Dodgers and Angels will be added to the Southern California service this spring, which puzzles some.

The peace talks 14
The war of words between Hollywood and cable may finally be coming to an end now that executives in both camps see that the squabble may not be too good for business. A summit of sorts is held in New York, and a treaty may follow.

Must-carry, the bill 14
Just as everyone expected, Congress is getting involved with the must-carry issue again, with legislation promised linking carriage of local stations to the compulsory license.

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Down on the ground a potential overbuild looks like a scary thing, but from the altitude of Capitol Hill it appears to be healthy competition, writes attorney and Washington consultant Chip Shooshan. And how does this square with the industry's traditional posture favoring open entry?

PROGRAMMING

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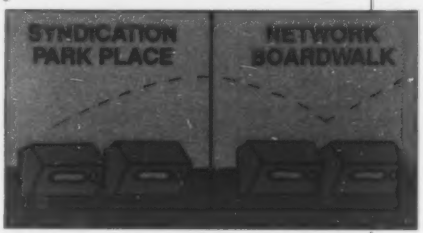

MANAGEMENT

A new day at Daniels 24
Perhaps more so than other segments of the cable industry, the brokerage industry has undergone tremendous change in recent years. Daniels & Associates, which practically invented the business, is adapting to stay abreast of the times and ahead of some worthy competitors.

INTERNATIONAL

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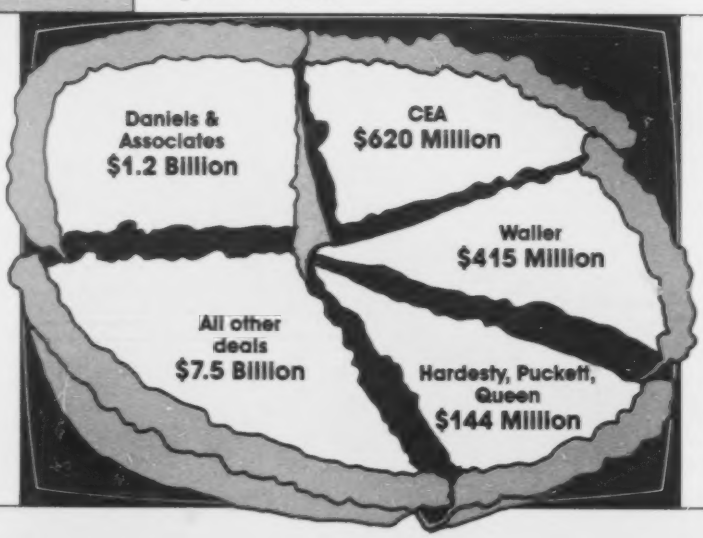
In the concluding segment of our long look at developments in European television, Americans who are in the game on the Continent size up their experiences to date and map out future strategies. Their advice is to be patient.

LAW AND REGULATION

Showdown on M Street 30
It seems like an unfair fight: The Reagan Administration pitted against a lone federal judge over the issue of telco provision of information services. And now the FCC is being asked to play referee in a battle with major implications for the cable industry.

ADVERTISING

Selling cable to politicians 31
Between $300 million and $500 million will be spent this election year on political advertising, and cable has a shot at a healthy percentage of the take. To improve its chances, industry leaders are selling cable to campaign managers, with impressive results.



COVER STORY

Doing the deals 32
To paraphrase the late Everett Dirkson, a billion here and a billion there and pretty soon you have the cable brokerage business. In our annual look at cable transactions, we find that about 300 systems changed hands in 1987 with a total value of about $10 billion. Daniels is atop the heap, but CEA is close behind.

Between the Lines

Looking beyond theory in the overbuild issue

The man on the phone said he was the general manager of a system that had been targeted for an overbuild by a larger company that had several systems in the region, including one just down the road from him. He had been reading articles in *CableVision* and other publications about the subject of overbuilds, and what he wanted to know was: Isn't there some way I can stop this from happening?

He said that even though his was a small system, with limited resources, that he had been active in his community. The system supported the major local charity, was a booster of the Lions Club, and had good relations with the city government. His rates were reasonable, as was the number of channels offered, and he said he worked hard to maintain reliable service. But wasn't there some legal trick he could use to keep the other guy out?

There was a real fear in his voice. He said he was sure that this looming situation could cost him his job.

This conversation was somewhat unsettling because it was so personal. Most discussions of overbuilds are in the abstract. Industry debates on the subject usually are restricted to the theoretical implications of overbuilds. But this man, with a family to support, felt that his paycheck was on the line.

How many supermarkets are there in your town? he was asked. Three, he said. How many department stores? Two. And don't they all compete with each other, offering sales and undercutting each other on price? Sure, he said, but that's different.

Well, maybe it is and maybe it isn't. Competition, after all, is as all-American as motherhood and apple pie. And the Cable Act does say that a city may grant one or more franchises. Yeah, he said, I'll tell that to the wife.

The makings of a spirited debate on the subject of overbuilds has sprung up on our Forum pages. Last month attorney Richard Berman laid out a possible legal and public policy defense, arguing that overbuilds are bad for consumers. In this issue, Chip Shooshan, well known in Washington circles and a former chief counsel of the House communications subcommittee, offers a rebuttal. He contends that by opposing overbuilds the cable industry is abandoning the traditional public policy positions that have served it so well. An industry that once was willing to take on all comers now is attempting to stifle competition, he writes.

This sort of exchange is healthy and should continue. Others with views on the subject are invited to share them. If you just want to talk, call me at 212-213-3110.

But as we go further down the road on this subject, let's not forget that there are thousands of people whose interest in this subject is more than philosophical.

All of us here at *CableVision* want to extend congratulations to Chairman John Hendricks, President Ruth Otte and the many other fine people at The Discovery Channel for being honored with the Golden ACE award. The members of the National Academy of Cable Programming had 10 worthy nominees from which to select, but Discovery's presentation of *Russia: Live from the Inside* series was something special.

We also want to second the Academy's selection of Ralph Baruch as the first recipient of its Governors' Award. A major figure in the communications industry for nearly four decades, Baruch just last month accepted a new challenge as a fellow at the Gannett Center at Columbia University. He will lecture on the links between government regulation and commercial development of new communication technologies.

And to all who walk away with ACEs this year, we say congratulations.

—Steve Tuttle
Editor and Associate Publisher

CableVision

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ABP BPA

Film product comparison-February

Film	Pay Networks						Distributor
48 Hrs.	(HBO)	*ST	(TMC)				Paramount
9 1/2 Weeks		(ST)	TMC				TBS
Act of Violence						MAX	Paramount
Adventures of Mark Twain					DIS		Clubhouse Pictures
Adventures of Prof. Beetoven	HBO						Oriolo
Adventures of the Action Hunter			TMC				Troma
Adventures of the American Rabbit					DIS		Clubhouse
Advise and Consent						MAX	Hal Roach
Airplane!	(HBO)	(ST)				MAX	Paramount
Aliens	(HBO)	ST	(TMC)			(MAX)	20th Century-Fox
All The Brothers Were Valiant		(ST)			DIS		MGM/UA
Amadeus		ST					Paramount
American Anthem	(HBO)					*MAX	Columbia
American Justice	(HBO)					MAX	Movie Store
An American in Paris			(TMC)		*DIS	(MAX)	MGM/UA
And The Children Shall Lead					DIS		Wonderworks
The Annihilators						MAX	New World
Anything Goes			TMC				Paramount
Ape and Super-Ape		ST					Coe Film
Appointment in Berlin						MAX	Columbia
Aprenticeship of Duddy Karavi		ST					Paramount
Assassination		ST	*TMC				Cannon
Asterix and Caesar's Surprise					DIS		Gaumont
At Sword's Point					DIS		RKO
Augustine						MAX	Pandora
The Aurora Encounter						MAX	New World
The Aviator			TMC			(MAX)	MGM/UA
Back to School	(HBO)	(ST)	*TMC			MAX	Orion
Baja Oklahoma	HBO						HBO Pictures
The Barefoot Executive					DIS		Disney
The Barretts of Wimpole Street		*ST	(TMC)	(DIS)			MGM/UA
Basic Training		(ST)				*MAX	Movie Store
The Bedford Incident						MAX	Columbia
Bedroom Window			TMC				DEG
The Beniker Gang	*HBO						Lorimar
The Best of Times	(HBO)		*TMC			(MAX)	Universal
The Best		ST					Satori
Betrayed		(ST)	(TMC)		DIS		MGM/UA
Big Trouble in Little China	HBO	(ST)	TMC			(MAX)	20th Century-Fox
Bill Cosby "Himself"	(HBO)	(ST)				MAX	20th Century-Fox
A Billion For Boris					*DIS		Film Gallery
Black Widow	HBO	ST	TMC				20th Century-Fox
Blake Edwards' "A Fine Mess"	HBO					(MAX)	Columbia
Blake Edwards' "That's Life"						*MAX	Columbia
Blood Brothers	HBO						Warner Bros.
Booker					DIS		New Images
Born Yesterday					(DIS)	MAX	Columbia
A Boy Called Nuthin'					*DIS		Disney
The Brave Little Toaster					DIS		Hyperion-Kushner-Locke
Brazil		(ST)	TMC			(MAX)	Universal
Brothers By Choice		ST			(DIS)		Atlantis
The Candidate	HBO						Warner Bros.
Care Bears II	(HBO)				*DIS		Columbia Pay TV
The Carey Treatment		(ST)	TMC				MGM/UA
The Cat From Outer Space					*DIS		Disney
Catch-22			*TMC			(MAX)	Paramount
Cattle King		ST					MGM/UA
Charlotte Forten's Mission					DIS		Pride Ent.
The China Syndrome	(HBO)					MAX	Columbia
Class of '44						MAX	Warner Bros.
Class of Nuke'em High		*ST	(TMC)				Troma
Club Paradise	(HBO)					*MAX	Warner Bros.
Clue		ST	*TMC				Paramount
Cocaine Wars						MAX	Concorde Pics.
Code Name: Emerald			(TMC)			*MAX	MGM/UA
The Concrete Jungle		(ST)	*TMC				Lorimar
Condorman					DIS		Disney
Conquest of Cochise						MAX	Columbia
Counter-Attack						MAX	Columbia
Crimes of the Heart		(ST)	*TMC				DEG
Critical Condition		*ST	(TMC)				Paramount
Crocodile Dundee		ST	TMC				Paramount
Crystal Heart						MAX	New World
Dead & Buried	HBO						Film Finance

Film	Pay Networks						Distributor
Dead of Winter	HBO						MGM/UA
Dead Reckoning						MAX	Columbia
Dead-End Drive-In	HBO					(MAX)	New World
Death of a Salesman		(ST)	TMC				ICM
Desert Hearts			TMC				Goldwyn
The Desperadoes						MAX	Columbia
Detective School Dropouts		ST	(TMC)				Cannon
Diamond Head						MAX	Columbia
Don't Make Waves		(ST)	TMC				MGM/UA
Dot and the Whale					*DIS		Cori Films
Dream Lover	(HBO)		*TMC			(MAX)	MGM/UA
Duet For One		ST					Cannon
East of Eden						MAX	Warner Bros.
Echo Park		(ST)	*TMC				Atlantic
El Dorado			*TMC			(MAX)	Paramount
The Electric Grandmother					*DIS		LCA
The Elmchanted Forest	(HBO)	ST					Video Media
Emmanuelle 4		ST	(TMC)				MGM/UA
Enemy Mine	HBO	ST	TMC			(MAX)	20th Century-Fox
Ernest Goes to Camp		ST	TMC				Touchstone
Except For Me and Thee		*ST			(DIS)		Lorimar
Eye of the Tiger	HBO						Scotti Bros.
Eyes of the Amaryllis					*DIS		Coe Films
Far Pavillions Part Three	HBO						Gold Crest
Far Pavillion Part Two	HBO						Gold Crest
Far Pavillions Part One	HBO						Gold Crest
Fast Forward	(HBO)					MAX	Columbia
Fast Times at Ridgemont High	HBO	(ST)	(TMC)			(MAX)	Universal
Father's Little Dividend		ST					MGM/UA
Fever Pitch	*HBO						MGM/UA
Finian's Rainbow	HBO					(MAX)	Warner Bros.
The First Nudie Musical		ST					Northal
First Steps						MAX	Televentures
Fort TI						MAX	Columbia
The Fourth Wish					ST	(TMC)	MGM/UA
In the Good Old Summertime					*DIS	(MAX)	MGM/UA
Instant Justice						MAX	J. Phillips
Invaders From Mars			TMC				Cannon
It Came From Hollywood			TMC				Paramount
James Joyce's Women		ST					Universal
Josie	HBO						Orbis
The Joy of Flying		ST					K-Pay
Jumpin' Jack Flash	(HBO)	(ST)	(TMC)			MAX	20th Century-Fox
The Killing Machine		ST	(TMC)				Lorimar
The Kindred	HBO						Feldman
King Kong						MAX	RKO Pics.
King of the City		ST	(TMC)				Lorimar
King Richard and the Crusaders						MAX	Warner Bros.
Kismet		(ST)			DIS	MAX	MGM/UA
Knights & Emeralds	(HBO)					MAX	Warner Bros.
Kojak: The Belarus Files		ST					Universal
La Chevre						MAX	Eur. Classics
Labyrinth	(HBO)					MAX	Tri-Star
The Last Hurrah					DIS		Columbia
The Last of Sheila			TMC			MAX	Warner Bros.
Last Resort	(HBO)					MAX	Trinity
Lethal			TMC				Cinema Group
Letters From Frank						MAX	Paramount
Light of Day						MAX	Taft/Barish
Lightning-The White Stallion			TMC				Cannon
The Lightship	(HBO)					MAX	Castle Hill
Like Normal People		ST					20th Century-Fox
The Lion, Witch & The Wardrobe	HBO						Distinguish
The Little Drummer Girl						MAX	Warner Bros.
Liz		*ST				MAX	Private Screen
The Longshot		ST				(MAX)	Orion
Loser Takes All	HBO						Orbis
Lost Horizon						*MAX	Columbia
The Loves of Carmen						MAX	Columbia
Lullaby of Broadway		(ST)				MAX	Warner Bros.
Malaya		ST					MGM/UA
Malibu Bikini Shop	(HBO)		(TMC)			MAX	Wescom
Man Who Came to Dinner		(ST)	TMC		*DIS		MGM/UA
Manhunter		*ST	(TMC)				DEG
Mannequin	HBO	ST	TMC			MAX	20th Century-Fox
Martin's Day						MAX	MGM/UA

Film	Pay Networks					Distributor
The Meanest Man in the World				DIS		20th Century-Fox
Meet Me After the Show				*DIS		20th Century-Fox
Men					MAX	89 Dist.
The Mission					MAX	Warner Bros.
Misty				*DIS		UPA Productions
The Morning After	HBO				(MAX)	Lorimar
Mother is a Freshman					MAX	20th Century-Fox
The Mountain Road					MAX	Columbia
My American Cousin	(HBO)	*ST				Ind. Prod.
My Chauffeur	HBO					Crown
My Fair Lady				DIS		CBS
My Favorite Wife				DIS		RKO
The Name of the Rose	(HBO)	(ST)	(TMC)		MAX	20th Century-Fox
Neon Maniacs	(HBO)				MAX	Castle Hill
A New Kind of Love		ST				Paramount
A Night in Heaven			TMC		(MAX)	20th Century-Fox
Night, Mother					MAX	Universal
Nightside					MAX	Universal
Nightwing	HBO				(MAX)	Columbia
No Retreat No Surrender	HBO					New World
Nobody's Fool		(ST)	TMC			Lorimar
Not Quite Paradise					MAX	New World
Nothing in Common	*HBO				(MAX)	Tri-Star
Nothing Personal					MAX	Orion
The Odd Couple			TMC		MAX	Paramount
The Old Man and the Sea			TMC			Warner Bros.
Oliver Twist	HBO					Warner Bros.
Once Bitten	(HBO)		TMC		(MAX)	Goldwyn
One Crazy Summer					MAX	Warner Bros.
One Too Many	HBO					LCA
Only When I Laugh	HBO				(MAX)	Columbia
Ordeal By Innocence					MAX	Cannon
The Other Woman		ST				Televentures
Out of Bounds	(HBO)				MAX	Columbia
Outlaw Josey Wales	HBO	(ST)	(TMC)		(MAX)	Warner Bros.
P.K. and the Kid	HBO					Castle Hill
Pat and Mike			*TMC			MGM/UA
Pennies From Heaven					MAX	Columbia
People Against O'Hara			*TMC			MGM/UA
Period of Adjustment		(ST)	TMC		(MAX)	MGM/UA
Place of Weeping					MAX	New World
Play It Again, Sam			*TMC		(MAX)	Paramount
The Playbirds					*MAX	Private Screen
The Pleasure of His Company			*TMC	(DIS)		Paramount
The Postman Always Rings Twice		(ST)	TMC		(MAX)	Lorimar
Pretty Maids All In a Row			TMC			MGM/UA
Pretty Smart					MAX	New World
Prince and the Pauper				*DIS		Disney
Prisoner of Zenda		ST				MGM/UA
Private Practices					MAX	Playboy Prog.
Psycho III		ST	TMC		(MAX)	Universal
Purple Rain	HBO		(TMC)		(MAX)	Warner Bros.
Quarterback Princess	HBO			(DIS)	(MAX)	Televentures
Quicksilver	*HBO				(MAX)	Columbia
Quiet Cool		ST				Universal
Rabid					MAX	Viacom
Radio Days		*ST	*TMC		(MAX)	Orion
Raging Bull		ST			MAX	MGM/UA
Rappin'	(HBO)				MAX	Cannon
Rascals & Robbers				*DIS		Televentures
The Red Tent			TMC			Paramount
Reform School Girls	HBO				(MAX)	New World
Restless Natives	HBO				(MAX)	Thorn-Emi
The Return of the Living Dead	HBO				(MAX)	Hemdale
Revolution	HBO					Warner Bros.
Rocky IV	HBO				(MAX)	MGM/UA
Rogue Cop			*TMC			MGM/UA
Rumplestiltskin			TMC			Cannon
Run, Cougar, Run				DIS		Disney
Sahara					MAX	Columbia
The Sandpiper					MAX	MGM/UA
Scorpion					MAX	Crown
The Sender			TMC			Paramount
Serpico			TMC		(MAX)	Paramount
Seven Brides For Seven Brothers		(ST)	(TMC)	DIS	(MAX)	MGM/UA
The Seven Magnificant Gladiators	HBO					Cannon
Seventh Heaven					MAX	20th Century-Fox
Shadow Play	(HBO)				MAX	New World
Shanghai Surprise	HBO				(MAX)	MGM/UA
She's 19 and Ready					MAX	Lorimar-Telepictures
She's Gotta Have It		(ST)	TMC		(MAX)	Island
Sherlock Holmes			TMC			Lorimar
Shipwreck!	HBO	(ST)			(MAX)	Warner Bros.
Sid and Nancy			*TMC			Goldwyn
Six Weeks		ST	(TMC)			King Features
Smoky				DIS		20th Century-Fox

Film	Pay Networks					Distributor
Sno-Line	HBO					S. Borde
So Dear To My Heart				DIS		Disney
So You Won't Talk?					MAX	Columbia
Solomon's Northrup's Odyssey				DIS		Pride Ent.
Something Wild		(ST)	*TMC		(MAX)	Orion
Son of Kong					MAX	RKO Pics.
Sounder				*DIS		UPA Productions
Spacecamp	(HBO)				*MAX	ABC Dist. Co.
The Spanish Main				DIS		RKO
Speedway		ST				MGM/UA
Spies Like Us	*HBO				(MAX)	Warner Bros.
Stand By Me	(HBO)				*MAX	Columbia
Starring...The Actors					MAX	Worldvision
Starship Redwing					MAX	Cinema Group
Steve Allen's Golden Age					MAX	Castle Hill
Stewardess School	HBO				(MAX)	Columbia
Still of the Night			TMC			MGM/UA
Stitches					*MAX	R.P. Marcucci
Stowaway in the Sky			TMC			Janus
Stripes	*HBO				(MAX)	Columbia
Stripped to Kill					MAX	MGM/UA
The Stripper		(ST)	(TMC)		MAX	20th Century-Fox
Strongest Man in the World				DIS		Disney
Sudden Death	HBO					Ladestar
Summer Stock				DIS		MGM/UA
Sun Valley Serenade					MAX	20th Century-Fox
Supermom's Daughter	HBO					Diana Kerew
Tai-Pan		ST				DEG
Teacher, Teacher		*ST				Henry Jaffe
Teachers	HBO	(ST)	(TMC)		(MAX)	MGM/UA
Texas Chainsaw Massacre Part 2		(ST)	TMC			Cannon
That Was Then...This is Now		ST	TMC			Paramount
They Only Kill Their Masters			*TMC		(MAX)	MGM/UA
The Thief Who Came To Dinner		ST			MAX	Warner Bros.
Thunder Run		(ST)	*TMC			Cannon
To Live and Die in L.A.	*HBO				(MAX)	MGM/UA
Toby McTeague				*DIS		Spectrafilm
Tonight and Every Night					MAX	Columbia
Top Hat				DIS		RKO
Tough Guys		(ST)	*TMC			Disney
Track of the Cat					MAX	Warner Bros.
Trading Places		*ST	(TMC)			Paramount
Transylvania 6-5000	HBO				(MAX)	New World
True Grit				*DIS		Paramount
Two Against the Artic				*DIS		Disney
Two Rode Together					MAX	Columbia
Under the Rainbow					*MAX	Warner Bros.
Unico in the Island				*DIS		Saurio
Uphill All The Way	HBO					New World
Used Cars					MAX	Columbia
Volunteers	HBO					Silver
The Walking Hills					MAX	Columbia
Water			TMC			Paramount
Where the River Runs Black	HBO				(MAX)	MGM/UA
Who Am I This Time?				DIS		Rubicon Film Prod.
Wild and Beautiful Ibiza		*ST				K-Pay
Woodstock					MAX	Warner Bros.

Cable Network Legend:
TMC—The Movie Channel
HBO—Home Box Office
DIS—The Disney Channel
ST—Showtime
MAX—Cinemax

- Networks in parentheses indicate carriage in September, October, November, December and/or January.
- An asterisk indicates the film is a carry-over from September, October, November, December and/or January.
- In total, 334 films appear on the January schedules of Home Box Office, Showtime, The Movie Channel, The Disney Channel and Cinemax. Of those titles, during the last six months, none have played on all five services, thirteen have played on four of the five services, twenty-six have played on three, and ninety-three have played on two of the five services. One hundred and ninety-seven titles on the December schedules of those five services were unduplicated in the last six months.
- The motion picture distributor with the most titles is MGM/UA with 39. Columbia with 37, Paramount with 29, Warner Bros. with 26, 20th Century-Fox with 24.

$10 billion in deals

Top brokers bank on Big Mo, sharper services for needed edge

By Virginia Munger Kahn

In politics they call it Big Mo. It's that momentum a candidate builds once he or she wins a race or two. Everybody likes a winner, so more and more voters get on the bandwagon.

The same might be said for the cable brokerage business. Once a broker is perceived as "hot," he or she is much more likely to get the next big deal when it comes around. The perception is that if the broker has gotten several major deals lately, they are "in the market," shopping a system around to various interested parties. In the process, they learn exactly what buyers are willing to pay at that specific time and what others may be interested in buying or selling.

That is one explanation brokers and industry executives give for the continuing dominance of Daniels & Associates and Communications Equity Associates at the top of the cable brokerage industry, and why Waller Capital Corp. has risen so fast to the No. 3 spot. The dynamics of the business are such that what goes down in one transaction comes back in another one down the road.

"People figure if you sold them the system once, you can sell it again," says Jim Boyle, head of cable brokerage at Frank Boyle & Co.

That rationale helped long-time industry leader Daniels & Associates to once again lead the list of brokers with more than $1.197 billion in cable deals in 1987. Communications Equity Associates, which has vied in recent years for the No. 1 spot, reported $620 million in cable transactions last year, while Waller Capital shot up to $415 million in deals, a 67 percent increase over the previous year.

Both Daniels and CEA also reported investment banking activity of more than $200 million each. Moving into a strong third position was Cable Investments Inc.

Bob Brown, president of Cable Investments, notes that with the competition so intense among brokers for deals, his company has found it more profitable to move resolutely into investment banking. The $131.6 million reported by Cable Investments is more than three times the business the company reported in investment banking the previous year.

Competing for fewer deals

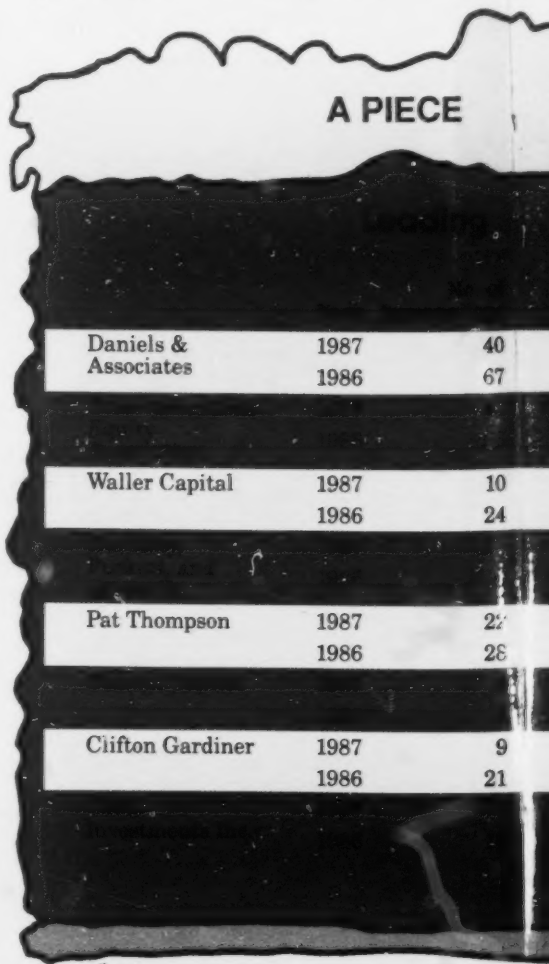
Overall, 1987 was a less spectacular year for deals than 1986, which set records, and it likely was not as good as most brokers think 1988 will be. According to Daniels & Associates, about 300 cable transactions were consummated in 1987 involving some 6 million subscribers. That is an 11.5 percent dropoff in deals from the previous year. Nevertheless, because cable prices set all-time highs, the value of those 1987 transactions reached a record $10 billion.

Considering the dropoff in transactions and the ever-increasing number of cable brokers, it goes without saying that the competition among brokers intensified last year. What is remarkable about last year's numbers is that even though the amount of business the top three brokers did in 1987 is less than 1986—$2.23 billion vs. $2.98 billion—Waller Capital grabbed an 18.5 percent share of the 1987 market. In contrast, in 1986 the No. 3 spot was held by Henry Ansbacher with a 12 percent market share. That same year, Waller had 7 percent of the business of the top five brokers.

Daniels share of the top brokerage business was about even at 53 percent in 1987, while CEA garnered 28 percent of the market, compared to a 37.5 percent share in 1986.

"We've taken share away from them," says John Waller, referring to Daniels and CEA. "Our strategy has paid off."

While brokers with Daniels and CEA profess no special concern with Waller compared to other brokers in the business—"let him prove himself a little more," says one brokerage industry executive—others concede Wal-



Daniels & Associates	1987	40
	1986	67
Waller Capital	1987	10
	1986	24
Pat Thompson	1987	2
	1986	2
Clifton Gardiner	1987	9
	1986	21

ler has done an excellent job of projecting an image of Wall Street financial sophistication in just his fifth year of business.

In fact, what Waller and many other brokers have realized in recent years is that in order to be successful these days, one must project an image of financial acumen and be able to back that up with access to larger financial resources.

Daniels has gained that ability through its affiliation with Solomon Brothers, while CEA, with Rick Michaels as chairman, long has projected an image of financial sophistication. Waller's ace in the hole is his headquarters in New York City close to the Wall Street investment banking houses that are taking on increasing importance in the financing of large cable deals.

"This is not the business it used to be," says Waller. "It's not a network of 'good old boys' anymore."

While previous contacts obviously are vital, many of the second- and third-tier brokerage firms also are striving to target the higher-end, more complex financial deals. Clifton Gardiner, for example, notes that when he did market research two years ago to determine if there was room for another broker like CEA or Daniels to handle larger deals, he found that indeed there was. "There are two sides to every transaction. The other side wants someone else," he says. "My game plan is to be that person, but unfortunately, he (Waller) has done that already," says Gardiner. He is quick to add, however, that he expects to be able to accomplish that much as well.

Another broker who touts his financial smarts is Bruce Falkenberg, president of Coaxial Capital Associates. "The nature of the market is to larger, more complex transactions," says Falkenberg, who claims he is one of only a few brokers who is a certified public accountant. "A lot of people who don't have that sophistication will fall off," he says. While Falkenberg notes that 1987 was "less than terrific" for his company because he was busy putting a staff together, he says he has several fairly large, complex transactions in the works.

Benchmark year ahead

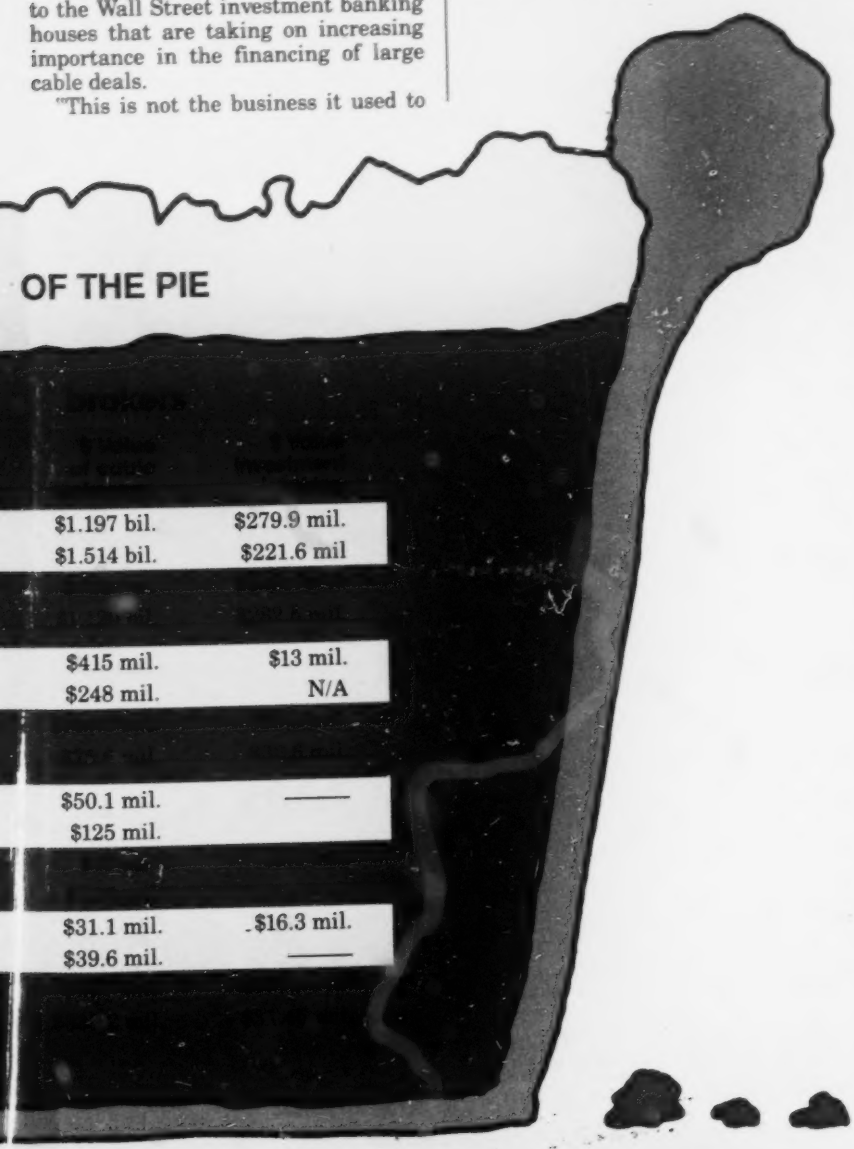
In fact, many brokers say that 1988 will be a benchmark year for cable transactions, especially the buying and selling of large and medium-sized MSOs, which will require financial know-how. Spurring that activity will be several factors, including the lowest tax rates in history, an increasingly uncertain financial and political environment the further out one goes in 1988, and the presence of large MSOs that are cash-rich and still hungry for acquisitions.

"Almost all of our larger transactions have been pushed into 1988" for tax reasons, notes CEA's Michaels. The company currently has $1.4 billion in cable listings, he says. But even more important to the makeup of the market this year will be the big MSOs. "They have big war chests and they will target the medium-sized MSOs and the small properties adjacent to them."

In fact, 1987 saw a tremendous amount of activity at the medium-sized MSO level, indicative of the continuing consolidation of the industry. Many companies in the 50,000- to 150,000-subscriber range were bought out last year or will be bought out in transactions that will close this year. In many cases, the buyers were not the top 10 MSOs, but income funds such as Falcon and Jones or long-time cable or broadcast industry executives who have started up their own firms within the last five years. "The leveraged money guys are still out there" is how Jim Boyle put it, referring to companies like Adelphia Communications, the Bass Brothers, Jones, Prime and Falcon.

Nineteen eighty-seven saw the sale or listing for sale of such long-term

See **Brokers**, *page 38*



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CableInvestments,Inc.

System location	Buyer	Seller	Basic subs	Homes passed
Christiana, PA	High Communications Partnership	Penn Communications	879	1,900
Eastern & Western Shores Maryland	Simmons Communications	Triad CATV, Inc.	5,700	11,000
Towns Near Dallas, TX	Decatur Cable	Sun Cable Partners	306	1,215
Northern Gulf Coast of Texas	Showcase Communications	Peninsula Cable, Ltd.	2,200	7,500
New Boston, DeKalb, Hooks, Maud, TX	Communications Services, Inc.	Donna & Fred Domkos	3,000	5,100
Towns Near Decatur, IL	Cable Systems USA	First Rural Cable	3,900	6,105
Springtown, TX	Decatur Cable TV, Inc.	Universal Telecommunications	210	350
Leaburg, Vida, Blue River, McKenzie Bridge, OR	Falcon Cable Systems Co.	White Water Cablevision, Inc.	950	1,200

CLIFTON GARDINER & ASSOCIATES INC

System location	Buyer	Seller	Basic subs	Homes passed
Loomis, NE	Universal Cable Comms.	Cablevision Communications	346	700
Northeast KS	Douglas Cable Comm. LP	Allied Partners, Ltd.	1,800	3,886
Brenham, TX	Northland Cable Seven LP	Tom S. Whitehead, Inc.	3,700	5,540
Milsap, TX Area	Showcase Communications	L & J Cable TV	661	1,152
Glendale, OR	Big Pine Cable TV	Glendale Cablevision	350	800
Countryside, FL	TCI Cablevision of FL	Coastline Enterprises	453	547
Bay City, TX Area	Northland Cable Seven LP	Mid-Coast Cable TV	10,600	20,950
Drakesville, IA (3 Sys)	Satcable, Inc.	Citizens Communications	355	525
Hammond, OR	Premier Cable Two, Ltd.	Satellite TV, Inc.	1,017	2,323

coaxial capital
BROKERAGE AND INVESTMENT BANKING

System location	Buyer	Seller	Basic subs	Homes passed
28 communities in WI and MN	Wisconsin Cablevision	Norcom Cable Investors	9,100	14,800
18 communities in WA	McCaw Communications	Harbor Videocable	13,000	16,075
Faulkner County and Perry County, AK	SRW, Inc.	Greenbrier Cable TV, Inc., Perryville Cable TV, Inc.	1,100	3,200
Lihue, HA	Rifkin and Associates	Derby Cablevision, Inc.	8,000	9,500
Laverne, OK	Universal Cable Communications, Inc.	Laverne TV Cable	612	710
Bienville Parish and Arcadia, LA	Falcon Telecable	Bienville Cablevision	600	1,165
Davis Monthan Air Force Base, AZ	Cooke CableVision, Inc.	Cable Arizona	1,725	3,600
Greers Ferry and Higden, AK	BRW, Inc.	Breers Ferry Cable	230	680

System location	Buyer	Seller	Basic subs	Homes passed
Victorville, CA	Booth American Co.	Hi-Desert Cablevision, Ltd.	10,800	13,500
Dade City, Zephyrhills, E. Pasco Co., FL	Moffat Communications Corp.	Action CATV, Inc.	1,500	N/A
Various systems in TX, LA and AK	Galaxy Cablevision, L.P.	Star CATV, Inc.	27,800	68,000
Republican and Mountain Grove, MO	Cable America Corp.	Community Telecommunications, Inc.	1,762	3,696
Shippensburg & Newville, PA	Warner Cable Communications	Shippensburg Cable Co.	3,901	4,500
W. Pasco County, Dunedin, Oldsmar, Safety Harbor, Tarpon Springs, New Port Richey, FL	TCI Development Corp.	Atlantic American Holdings, Inc.	61,911	122,000
Wild Dunes, SC	Mills Communications	Storer Cable of Carolina, Inc.	744	1,500
Neosho and Seneca, MO	Enstar Communications Corp.	Sammons Communications	3,226	4,575
Syracuse, West Point, Layton, Riverdale, Farr West, Plain City, Pleasant View, Tremonton, Garland, UT	Insight Communications	Watchus Communications	2,400	5,400
Millville, NJ	Sammons Communications of NJ, Inc.	Harron Cablevision of NJ	6,562	9,058
Morrisville, Johnson, Hyde Park, Hardwick, East Hardwick, VT	TCI/Taft Cablevision Associates	Gateway Cablevision Corp.	1,550	2,181
63 Illinois Communities	Triax Associates IV	Prairieland Cablevision, Inc. Illinois Cablevision, Inc. Midland Cablevision Systems, Inc.	17,000	26,500
Jackson & Hall Counties, GA	Lake Cablevision, Inc.	Cable USA, Inc.	1,200	2,200
Wellsville, Andover, Belmont, Amity, Willing, Milo, Jerusalem, Benton, Pen Yan, NY	Adams-Russell Co.	Sammons Communications of New York, Inc.	6,970	8,831
Cayuga, Eugene, portions of Vermillion County, IN	Warner Cable Communications, Inc.	Cayuga Cable TV	412	613
Oakwood, Muncie, Fithian, Fairmont, IL	Warner Cable Communications, Inc.	Oakwood Cable TV	944	1,320
Richton, Leaksville, Sumrall, Hattiesburg, Lake Serene, Lumberton & Poplarville, MS	Phoenix Cable Income Fund	Community Cablevision Systems and W.R.B.D. Communications Inc.	2,863	5,849
Funkstown, MD	Antietam Cable TV	Classic Cable, Ltd.	360	500
Suburban Cleveland and Toledo, OH	Cablevision Systems Corp.	A. Matrix Cablevision Development Co. B. Matrix Suburban CATV Development Co. C. North Royalton CATV Development Co. D. Solon CATV Development Co.	14,110	31,782
Mont Alto, St. Thomas, Quincy Township, PA	Raystay Co.	Classic Cable Ltd.	1,341	N/A
Donaldsonville, Lutcher, Gramery, and Sulphur, LA	Bachow & Elkin, Inc.	Jones Intercable Inc.	10,300	14,052
Estherville and Graetinger, IO	Vantage Cable, Inc.	Sammons Communications, Inc.	2,881	3,386
Clifton, TN	Essex Communications Corp.	Clifton TV Service	200	N/A
Waunakee, Lodi, and Prairie Du Sac, WI	Star Cablevision Group	Cable Video, Inc.	3,200	4,000
Indian Lakes, Lake Pleasant, Spectacular and Wells, NY	Shomann Entertainment Corp.	Dennis Taylor County (Hamilton Cable TV, Inc.)	278	348
Carlinville, Girard, Virden, Thayer, Auburn, Macoupin County, IL	Enstar Communications Corp.	Macoupin County Cablevision, Ltd.	3,645	6,100
West Baton Rouge Parish, LA	Daniels Cablevision of Baker/Zachary	Spillway Cablevision, Inc.	900	1,600
Live Oak and Suwanee County, FL	Cablevision Industries, Inc.	Sammons Communications, Inc.	2,500	2,900
Kiawah Island, SC	US Cable Corp.	Premiere Cablevision, Inc.	1,150	N/A
Hollywood, Ranevel, Folly Beach, Charleston, SC	US Cable Corp.	Enstar Communications Corp.	2,700	4,520
Darien, Jekyll Isl., McIntosh Co., GA Seabrook Isl., Fripp Isl., Beaufort Co., Dataw Isl., SC Skidaway Isl., GA	US Cable Corp.	Island Cable Co., Fripp Island Cable Co., Skidaway Cable TV, Inc.	4,150	5,000
Monticello, Mayo, Jefferson County, Killearn Lakes, Plantation, FL	Cablevision Industries, Inc.	Cable Specialties Ltd.	1,088	1,850
Auburn, Statham, Barrow County, GA	Lake Cablevision, Inc.	Statham Cable Co.	400	N/A
Gwinnet County, GA	Lake Cablevision, Inc.	Home Cablevision Inc.	N/A	N/A
Cumberland, Greensburg, Liberty, Monticello, Russell Springs, Whitley City & Whitley County, KY and Sellico, TN	Enstar Communications	Cumberland Valley Cable TV	13,950	17,386
St. Mathews, SC	Wometco Cable TV,			

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This Announcement Appears As a Matter of Record Only

October 1987

Decatur Cable TV, Inc.

$5,500,000

Senior Secured Term Facility

The Undersigned Placed This Note and Assisted Management in a Stockholder Buyout of Jacksboro Cable TV, Inc. and the Merger of Jacksboro Cable TV into Decatur Cable TV, Inc.

CableInvestments,Inc.
8400 East Prentice Avenue, Suite 1115
Englewood, Colorado 80111
(303) 793-3344

This Announcement Appears As a Matter of Record Only

October 1987

Cablevision of Texas Limited Partnerships

$9,048,000 Enhanced Yield Senior Secured Revolving and Term Notes

1,487,000 Subordinated Revolving and Term Notes

The Undersigned Structured This Financing and Arranged for the Private Placement of the Notes.

CableInvestments,Inc.
8400 East Prentice Avenue, Suite 1115
Englewood, Colorado 80111
(303) 793-3344

Sisters, OR	Bend Cable Communications, Inc.	Mount Cable Television, Inc.	500	750
Palm Beach County, FL	Fairbanks Communications Inc.	Direct Satellite Communications, Inc.	450	600

1988 DANIELS 30th ANNIVERSARY

System location	Buyer	Seller	Basic subs	Homes passed
East Montco Cable	Northland Communications	C. Nichols	2,200	4,600
Lewis Communications	Universal Cable	Lewis Communications	2,200	8,500
Quality CATV	Triax	Quality CATV	1,120	N/A
Tribune (Danville)	Cablevision Industries	Tribune Co.	22,700	30,000
Vincennes University	Rifkin & Associates	Vincennes University	17,750	20,000
Americable of Greater Miami	TCI	Americable of Miami	24,500	123,000
Montgomery Cablevision	Hauser Communications	Tribune—United	26,000	240,000
Titusville Cable	Cable Systems USA	Jim Duratz	1,205	1,325
Southside Cable	Cable Systems USA	Byron McCracken	2,240	2,500
National TV Communications	George Pancher	Bruce Freel	650	N/A
McCaw Communications	Jack Kent Cooke	McCaw Communications	N/A	N/A
First Carolina	CSI	First Carolina	6,599	10,749
Nova Communications	Triax Develop. Co.	Nova Communications	2,180	3,825
Cass Cable TV Inc.	Triax Develop. Co.	Cass Cable TV	1,220	2,935
Oakhurst (Northland)	Northland Communications	Oakhurst Cable	2,313	3,431
Matanuska Tele.	Bill Guerena	Matanuska Tele.	2,700	6,000
Valley Cable	Cablevision Industries	Hollinger	62,000	150,000
Sinclair Tele. Cable Inc.	American Cablevision	Sinclair Tele Cable of Indianapolis Inc.	5,100	8,840
TV Signal Corp.	Wander Tele Communications	J. Blanson	600	1,450
Seattle Community	Hirschfield (Summit Comm.)	Bill Johnson	4,500	N/A
Dutchess County Cable	Cablevision Systems Devel.	Kaufman & Broad Inc.	4,400	5,280
Satellite Electronics	Wander Tele Commun.	Bob Godfrey	800	2,500
Sylmar, California	King Videocable	Sammons Communications	6,500	8,500
Hanford Cablevision	Continental Cablevision	TCI/Daniels	9,450	24,500
Sylvan Videocable Co.	TCI	Kelly Family	900	1,600
Via Cable of Austin, TX	ATC	J. Priour	1,100	2,300
Mogollon Cable TV	Star Cablevision Group	Jack Blanchard	2,000	3,600
Ridgefield, LA	Columbia Communications	Jim Hirschfield	150	350
Kearney/Scottsbluff, NE	(Cable USA) Scottsbluff, NE	(TCI) Kearney, NE	5,900	N/A
Reedley, California	Hometown Cablecom	Group W	6,800	24,500
Z Channel (Pay TV)	Rock Associates	Group W	N/A	N/A
El Morro Bay Cable	Times Mirror	McCray Communications	285	300
Homelink Partnership	C-Tel/Commonwealth	Dow Jones & Co. Inc.	3,800	7,200
Century Telephone	Falcon Cable	Century Telephone	5,100	10,800
Green Valley (Leona, CA)	Jones Intercable Inc.	Ray Stone	500	N/A
Estancia Valley	Paragon Communications	Estancia Valley	1,050	3,500
Cheaha-Alabama Cable TV	Mike Dailey	Cheaha-Alabama Cable	7,000	N/A
Cold Springs, NV	Wander Telecommunications	Valley View	600	N/A
Skyline Cablevision	TCI	Carl Occhinero	N/A	N/A
Combined Cable	Star Cable	Combined Cable Corp.	34,137	53,398

Hardesty, Puckett, Queen & Company

CABLE TELEVISION BROKERAGE AND RELATED PROFESSIONAL SERVICES

System/location	Buyer	Seller	Basic subs	Homes passed
Upper Tract, WV	Cable Systems USA	Bowers Cable	180	250*
Franklin, WV	Cable Systems USA	Hartman Cable	720	800
Petersburg, WV	Cable Systems USA	Oates TV	1,350	1,5000
Salem, MO	Cable Systems USA	Wheelers Inc.	2,675	3,150
Missouri, Arkansas and Tennessee	Cable Systems USA	Delta Video, et al.	11,867	15,228
Missouri and Arkansas	Cable Systems USA	Dr. Hunt	9,400	12,718
Kenesaw & Juniata, NE	Tele-Sat, Inc.	Juniata Cable Inc. & Kenesaw Cable, Inc.	374	620

Brokers, *from page 33*

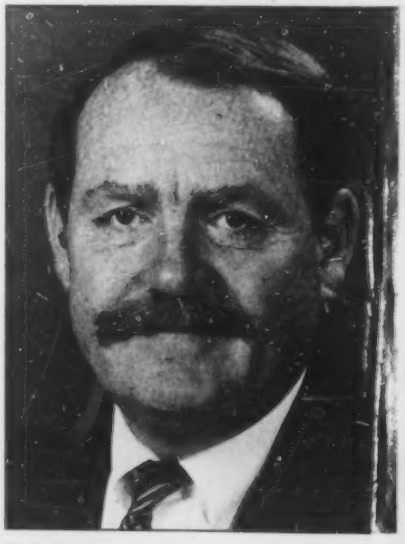
Jim Boyle

players as First Carolina Communications, Harte-Hanks Communications, Essex Communications, Scott Cable Communications, C4 Media, Multi-Channel TV Cable, James Communications, Mountain Cable, Masada, Helicon, Tidel, Dowden and North American Communications.

The buyers of these companies have included Martin Pompadur, whose U.S. Cable Television Group has made several large acquisitions in recent months; Jack Kent Cooke, the former TelePrompter chairman; Bob Rosencrantz, whose Columbia International bought Tidel; Don Jones of Star Midwest; and Monty Rifkin, the former head of ATC.

In addition, several very large com-

See **Brokers**, *page 43*



Bob Brown

Mesa, AZ	Times Mirror Cable Television	Golden Hills	4,215	9,670
Doe Run, MO	Farmington Cablevision	First Cable & Land	450*	600*
Beaver, OK	Universal Cable	Beaver Cable TV, Inc.	725	850
Loving, NM	TCI Cablevision of New Mexico	Smith Satellite Comm.	433*	600*
Council, ID	Leonard Communications	Metro Cable Corp.	274	450
Kearney, NB	Metro Enterprises	HRM, Inc.	3,240	7,000
Nebraska	Metro Enterprises	Lou-Platte Comm.	2,004	3,680
Nebraska and Iowa	Metro Enterprises	Omniview	3,388	5,635
Adrian, MO	Douglas Cable	Adrian Cablevision	409	650
Kansas and Misssouri	W.K. Communications	Topeka Cablevision Fund, L.P.	3,900	6,307
Oklahoma	Eagle Cable	Cable TV of Ft. Gibson, Inc.	1,600	3,100
Ulysses & Johnson, KS	Universal Cable	Golden Southwest, Inc.	2,075	2,600
Goldendale, WA	Sun Country Cable	Empire Comm.	1,250	1,400
Missouri	C-4 Media	Citivision	5,000	7,535
Arizona, Arkansas, Indiana, Iowa, Kansas, Nevada, Oklahoma, Utah, and Washington	Robert Gross	Empire LBO	22,500	37,400
Alpine, Pine Valley and areas of San Diego Country, CA	Earl Hickman	Calvideo (LBO)	4,260	6,500
St. Louis, MO area	W.K. Communications	Heritage Communications	1,050	3,133
St. Louis, MO area	W.K. Communications, Inc.	Norstar Communications, Inc.	1,280	3,360
Jefferson City, MO area	Cole County Cablevision, Inc.	First Cable & Land Corp.	1,980	3,700

*Estimated

MARTZ

System location	Buyer	Seller	Basic subs	Homes passed
Payson & Williams, AZ	Star Cablevision Group	First Carolina Comm.	4,236	5,250
Benton Harbor, St. Joseph, Benton Township & Oshtemo, MI	Star Cablevision Group	Acton Corp.	7,540	15,400
Oshtemo & Pavillion Estates, MI	Cablevision Systems Develop. Inc.	Star Cablevision Group	1,316	2,500
St. Johns, AZ	Star Cablevision Group	Milford Richey	2,400	N/A
Woodland Park, CO	Mark Twain Cablevision	Woodland Park Cable System, Inc. & Woodland Park Cable Associates	1,250	2,000
Watseka, IL	Star Cablevision Group	Countryside Cable	3,700	4,500

Pat Thompson Co.

CABLE TELEVISION BROKERS

System location	Buyer	Seller	Basic subs	Homes passed
Washington, DC Area	Amsat Partners, LP	Potomac Television Associates & Master Television Associates	1,500	9,000
Valier, MT	Mountain Side Cable, Inc.	Valier Cable TV	170	240
Barefoot Bay, FL	Atlantic Cablevision	American Cablevision Systems	2,800	5,020
Covington, Drummond, Helena & Jet, OK	Eagle Cable, Inc.	Oklahoma Rural Cable Corp.	450	890
Spencer, Eagle Grove, Iowa & Waseca, MN	Vantage Cable, Inc.	Spencer Cable TV, Inc. TVIQ, Inc. Waseca Cable Television, Inc.	8,392	10,260
Chicago Area	TCI	Satellink	5,265	55,735
Willow Creek, Bombay Beach, Calipatria, Niland, Herlong, Cedarville, Fall River Mills, McArthur, Pittville, Dorris, Happy Camp and Tulelake, CA	Mountain Side Holdings, Inc.	Mountain Side Cable, Inc.	5,000	8,600
Sun Prairie, Vaughn, Chester, Dutton, Valier, MT				
Bonanza, Chiloquin, Malin & Merrill, OR				
Beaver Parowan & Panquitch, UT				
Bronson, Colony, Moran, McCune, Quenemo, and Richmond, KS	Douglas Communications	*Scep[illegible]	510	1,227
Minocqua & Woodruff, WI	Star Cablevision Group	Pine [illegible] Communications	1,677	2,500
Mooreville, MS	J.R. King Enterprises, Inc.	Northeast Mississippi TV Cable Co.	170	335
Novinger, Browning Memphis, Lancaster Greencastle & Greentop, MO	Sat Cable, Inc.	Multi Com, Inc.	1,736	3,088
Camano Island, WA	Northland Telecommunications Corp.	Acme Communications & Electronic, Inc.	600	1,250
Atwater, Barrett Belgrade, Brooten Elbow Lake, Grove City, & Paynesville, MN	Vantage Cable, Inc.	Armco Communications, Inc.	1,950	2,800
Shelbina, Skelbyville	Mark Twain	Northeast Missouri	2,650	3,970
Edina, Montgomery City, Wellsville, Martinsburg, New Florence, Farber, Laddonia & Jonesburg, MO	Cablevision LP—Aff. with Leonard Communications, Inc.	Cable TV, Inc.		
Riverside, IA	Dowden Communications	Riverside Cable Systems, Inc.	175	325
Paris, Perry, Madison MO	Mark Twain, LP Aff. Leonard Communications, Inc.	Paris Cable Inc.	830	1,375
Lefors, Skellytown Groom, TX	Cablevision of Texas, LP	Goldenspread Cablevision	613	900
Challis, ID	Premier Cable Two, Ltd.	Community Cable Television, Inc.	359	750
Hysham, Joliet, Fromberg, Rimrock, MT	Premier Cable Two, Ltd.	Rimrock Cable TV, LP Beartooth Cable Systems, LP Hysham Cable TV	518	1,000
Athens County, OH	SRW, Inc.	Sat Cable, Inc.	997	1,360

PYMS

PYMS CABLE BROKERAGE, INC.

System location	Buyer	Seller	Basic subs	Homes passed
Springhope, Middlesex, Bailey, NC	React Cable Services	Mid-Atlantic Cable Corp. of North Carolina	297	1,250
Lucama, Kenly, Micro, Princeton, NC	High Industries, Inc.	Mid-Atlantic Cable Corp. of North Carolina	950	1,692
Tabor City, NC	Marvin Bates, Junior	Advanced Communications	475	911
Silverton, CO	Pagosa Vision, Inc.	San Juan Cable TV	200	340
Central City, Blackhawk, Nederland, CO	Pagosa Vision, Inc.	Stagecoach Cable TV	366	1,100
Limon, Deer Trail, CO	Televents Group, Inc.	Cripple Creek Cable, Inc.	930	1,100
Daytona Beach Shores, FL	TCI	Advanced Communications and Satellite Systems, Inc.	3,435	9,640
Bayfield, WI	Marcus Communications	Bayfield Cable TV Co.	380	425

Tom Belcher Communication Resources

System location	Buyer	Seller	Basic subs	Homes passed
Elwood & Highland, KS	Falcon Cable	TCI	506	912
Kingfisher, Geary, Watonga, Hennessey, Okeene, Fairview, & Cherokee, OK	Eagle Cable	Tempo Cable	5,000	9,180
Oilton, OK	Community Cablevision, Inc.	First State Bank of Oilton	175	654
Stilwell, OK	Cablevision of Texas	Airwaves Communications, Inc.	460	1,157
Westville, OK	Cablevision of Texas	Lovett Cable TV	335	850
Watts, OK	Cablevision of Texas	Lovett Cable TV	125	250
Lincoln, AK	Cablevision of Texas	Lovett Cable TV	400	700

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Brokers, *from page 38*

panies were contracted for sale in 1987 and will close in 1988, including Storer Communications, which was bought by TCI/Bass, ATC and Comcast; and American Cablesystems, which was bought by Continental Cablevision. Nineteen eighty-seven saw TCI close its acquisition of Heritage Communications and Jack Kent Cooke close the purchase of McCaw Communications.

Speculation is rife within the industry that 1988 could see several other major deals of the size of American Cablesystems. As has been the case for several years, attention has focused on the Times Mirror cable properties.

In fact, Henry Ansbacher, which reported no cable deals in 1987, says it is focusing on cable properties held within trusts and within newspaper publishing companies as targets of opportunity. "Some of the prime properties are hidden away in family trusts," says Roy Weissman, vice president at Ansbacher. "The high percentage of

See **Brokers**, *page 44*

This notice appears as a matter of record for brokerage firms, lenders, investment bankers, and buyers and sellers of cable, radio and TV properties.

The undersigned performed

$4 Billion

Cable and Broadcasting Appraisals
in the past eighteen months.

Contact Tony Kern, Vice President, Financial Services, to discuss the specifics of your situation on a confidential basis, without obligation. Call (202) 835-7800.

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TELECOMMUNICATIONS FINANCIAL MANAGEMENT AND ENGINEERING CONSULTANTS

1130 Connecticut Avenue, NW Washington, DC 20036 (202) 835-7800

Yale, OK	Community Cablevision, Inc.	TCI	167	644
Shangri-la Resort, Delaware County & Bernice, OK	Eagle Cable	Grand Lake Cable TV, Inc.	715	2,300

Waller Capital Corp.
WALLER CAPITAL CORP.

System location	Buyer	Seller	Basic subs	Homes passed
Portions of New Hampshire	Continental Cablevision, Inc.	Cablevision Service Co., Inc.	12,000	22,000
Portions of Michigan	Centel Communications	Welbac Cable Corp.	2,550	3,700
AZ, CO, GA, OH, OK & TN	First Carolina Communications	Harte-Hanks Cable, Inc.	45,277	65,700
FL & TX	Cablevision Management, Inc.	Planned Cable Systems Corp.	6,500	12,000
St. Robert, MO	Cable America Corp.	Clef TV Communications	500	3,000
Calhoun City, MS	ACI Mississippi, Inc.	Telephone & Date Systems	1,000	1,500
WI, IA, MS, AL, GA, NY, VT & ME	First Carolina Communications	James Communications Inc.	100,000	135,000
OK	GH Cable	McGee Creek Cable TV Associates	1,700	2,000
OK	GH Cable	Lake Texcoma Cable TV Associates	1,600	2,250
TX, TN, CO, GA, NC, MI & KY	Cencom Cable Associates	The Adam Corp./Group	74,000	125,500

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In Calif. (714) 998-0573

Brokers, *from page 43*

subscribers tied up there is amazing."

At the other end of the spectrum, brokers like Pat Thompson, Jim Boyle and John Waller see an increasing amount of activity among small and independent operators. In fact, Thompson, like many other brokers, reported a decline in 1987 brokerage activity compared to 1986. As she and others have noted, many smaller deals have been pushed into 1988 to take advantage of the historic lows in tax rates. "We've already closed 10 deals this month," Thompson said last week.

John Waller

Rick Michaels

That market has been pushed along by medium-sized MSOs who are looking to cluster smaller systems, players such as Douglas Communications, Le-

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AND ADJACENT AREAS
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GRAND LAKE CABLE, INC.
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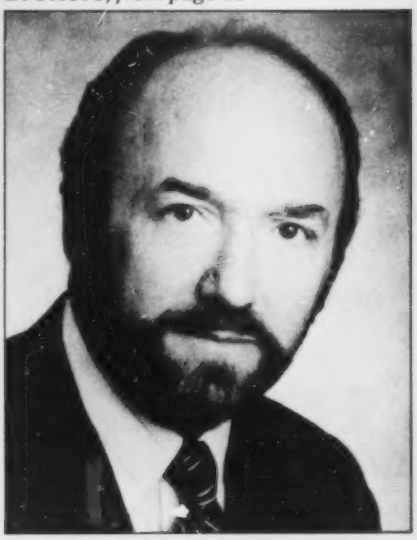

Clifton Gardiner

onard Communications, Vantage Cable, and Northland Communications. "These are the people who are buying independent operators," says Thompson.

Record prices expected

As has been the case with prices in general, the cost of buying smaller cable systems continued to rise in 1987. According to Thompson, the average price for a smaller system with growth potential was about $1,500 to $1,700 per subscriber, while Thompson's average was closer to $1,200 per sub. On a multiple of cash flow basis, the average was between 11 and 12 times trailing cash flow. "Prices are better than ever," she says. "They used to be $800 to $1,000 per subscriber."

The old adage of what goes around, comes around worked in Thompson's favor last year. The company got the listing for Tidel Communications, a larger transaction than most others handled by the company, as a result of selling the Storer Cable systems to Tidel in 1986. Columbia International has agreed to buy Tidel at a price reported to be more than $2,200 per subscriber.

John Waller predicts that the small system market will be hotter than ever in 1988. He notes that not only have many limited partnerships seen significant rises in their asset values, and therefore likely will be pressured to provide some liquidity for their investors, but also many smaller companies changed their status to Sub S corporations at the end of 1986 in order to continue taking advantage of the Gen-

eral Utilities Doctrine. In so doing, they will be prohibited from selling assets until January 1989.

"A fair amount of independent operators" will bring those systems to market in 1988 in order to close their deals next year, says Waller. "A lot of independents share my nervousness" about the financial environment," says Waller. The current bull market "cannot go on forever."

Perhaps the most remarkable aspect of the 1987 system market was its continuing strength in the face of the crash in public market values in October. While several brokers said they thought prices might have declined about 10 percent in the private market as a result of the stock market crash, in general, prices held their own and in some cases continued to set new records.

Brokers attribute that phenomenon to the continuing appetite of buyers and a slowdown in the number of properties available for acquisition. Buyers who can count on bank financing, such as many of the medium and large MSOs, have found little letup in the interest of those institutions to help the cable industry continue its consolidation.

Daniels & Associates President Phil Hogue figures that the average per subscriber price of a cable system last year was $1,700 to $1,800, although he notes that many deals also were done at the $2,000 per subscriber level and up. On a multiple of cash flow basis, he figures the average was between 11.5 and 12.5 times next year's cash flow.

While Hogue notes that the 1987 increase in cable values equalled about 30 percent, he says he does not foresee such a mammoth increase from 1987 to 1988. "By the end of 1988 we will not see an average of $2,300 to $2,500 per subcriber," he says. "Prices will go up, but not at the same rate."

Pat Thompson

Economy calling the tune

Many brokers and industry executives believe multiples are about as high as they can go, without becoming uneconomic, and that the big pop in values occurred in 1986 and 1987. Some are pointing to price resistance on the Essex Communications deal and the MacDonald properties as evidence of a slowing in cable system price increases. The Essex Communications deal was projected to be done at $2,000 per subscriber by Waller Capital, but the price has been adjusted down to $1,667 since the crash. The MacDonald properties, which most recently were priced at $2,000 a subscriber, have been on and off the market several

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December, 1987

GH CABLE OKLAHOMA LIMITED PARTNERSHIP

has acquired

McGEE CREEK CABLE TV ASSOCIATES

serving approximately 1,700 basic subscribers and passing over 2,000 homes in Atoka, Coalgate and Tushka, Oklahoma.

The undersigned represented McGee Creek Cable TV Associates in the transaction, served as financial advisor and assisted in negotiations.

WALLER CAPITAL CORPORATION

Richard H. Patterson
Vice President

45 Rockefeller Plaza
Suite 2520
New York, NY 10111
(212) 307-7201

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times in recent years. "It's questionable whether you really have two sellers there," says one broker.

At the same time, brokers report that bidding for the Masada properties, which CEA is representing, has been intense and that the systems likely will go for $2,100 to $2,200 a subscriber. "That will be the price set for quality systems of size," says Jim Boyle. John Waller notes that most of the Harte-Hanks properties, which were considered good, high-growth systems, have been sold for prices in the range of $2,500 a subscriber. As Rick Michaels characterized it, since the beginning of the New Year the market has "taken off with a blast."

Considering the backlog of transactions most of the brokers are reporting for this time of year—$1.4 billion for CEA, $612 million for Waller Capital, 15 transactions for Pat Thompson—1988 is shaping up to be another record-breaking year.

However, the keys will be not only the number of properties coming on the market and the appetites of buyers, but also the financial environment. Most industry executives and brokers are sanguine about the future, especially the direction of interest rates, given that 1988 is an election year and the Federal Reserve Board historically has refused to send the economy into recession during an election.

Nevertheless, there is enough uncertainty about the economy, as a result of the October crash and the continuing federal and trade deficits, that many potential sellers could be convinced that now is the time to cash in. Who they give that business to will depend a great deal on who they have done business with in the past and which broker they think is the closest to the heart of the systems market at the time and can deliver the highest price. ■

NOTES

New Services

Clifton Gardiner opens new investment company

DENVER—Clifton Gardiner & Co. is providing a new investment banking service to the communications industry. The company will hold broker/dealer status as soon as its license application is approved by the National Association of Securities Dealers.

Clifton Gardiner, president of Clifton Gardiner & Associates, is chairman of the new financial services organization. Gary Jaeckel has been named president. Jaeckel was previously director of the financial division in Gardiner's brokerage company. Other personnel include Mary Jo Grant, financial analyst, and Margaret Yunker, investment banker.

The new company was formed because of the demand for broker/dealer services in the industry, according to Jaeckel.

Financial/Stocks

Century Communications posts six months results

NEW CANAAN, Conn.—Century Communications Corp. reported results for the six months ended Nov. 30, 1987.

Total revenues for the six months grew to $79,174,000, an increase of $41,442,000, or 109.8 percent over the prior fiscal year's first half total revenues of $37,732,000. Operating income before depreciation and amortization was 54.2 percent of total revenues, or $42,925,000, an increase of $21,992,000, or 105.1 percent over the $10,237,000 recorded for the corresponding period of fiscal 1986.

Operating income was $16,734,000 for the six months ended Nov. 30, 1987. This was an increase of $6,469,000, or 63 percent over the corresponding period of the previous year.

Cable TV Industries reports fiscal results

LOS ANGELES—Cable TV Industries reported sales for the three and nine months ended Oct. 31, 1987, were $9,828,000 and $29,908,000, respectively, compared to $8,546,000 and $23,306,000 in the same periods a year ago.

Net income for the quarter was $201,000, or 7 cents per share, and $608,000, or 20 cents per share, for the nine months ended Oct. 31, 1987, compared to 1986 net loss of $66,000 or 2 cents per share, and $609,000, or 20 cents per share in the same periods.

Acquisitions

First Carolina sold to 1st CableVision

TAMPA, Fla.—First Carolina Communications Inc. has been sold to 1st

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Communications PR Inc.

through its wholly owned subsidiary

TELEPONCE cable tv

$15,700,000

Secured Revolving Credit and Term Loan Facilities for its South Coast of Puerto Rico Cable TV Expansion.

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CABLE STATS

Subscriber Count

Satellite national services

Basic services	Affiliates	1988 subs	1987 subs	change
ACTS Satellite Network	245	6,300,000	4,900,000	28.6%
Alternate View	242	2,800,000	2,500,000	12%
Arts & Entertainment	2,400	27,000,000	19,700,000	52.3%
Black Entertainment Television (BET)	1,000	18,000,000	11,400,000	58%
Cable News Network (CNN)	11,423	41,642,000	38,456,000	10.6%
Cable Value Network	1500	18,400,000	10,000,000	84%
CBN Cable Network	7,817	37,212,000	34,086,000	9.2%
C-SPAN	2,700	32,500,000	25,250,000	28.7%
C-SPAN II	485	12,500,000	7,600,000	64.5%
Consumer Discount Network			750,000	N/A
Country Music Television	568	6,800,000	6,200,000	9.7%
The Discovery Channel	2,700	27,494,000	14,000,000	96.4%
ESPN	18,936	46,100,000	39,300,000	17.3%
Eternal Word Television Network (EWTN)	387	7,100,000	6,100,000	16.4%
The Fashion Channel	600	8,700,000		
Financial News Network (FNN)	1,770	27,300,000	24,000,000	13.8%
FNN/Score	1,150	19,800,000	19,000,000	4.2%
FNN/TelShop	850	11,000,000		
GalaVision	300	1,000,000	425,000	135%
Gospel Music Network	31	744,447		
Headline News	3,608	28,352,000	22,724,000	24.8%
Hit Video USA	170	2,164,000	1,700,000	27.3%
Home Premiere Television	7	247,000		
Home Shopping Network	1,108	15,200,000	11,613,217	30.9%
Home Shopping Network 2	280	5,800,000	5,820,000	-.3%
The Inspirational Network (PTL)	1,050	10,500,000	15,000,000	-30%
International Television Network	56	7,868,900	20,130,000	N/A
The Learning Channel	930	11,000,000	7,200,000	52.7%
Liberty Broadcasting Network	39	1,049,218	1,300,000	-19.3%
Lifetime	3,500	34,000,000	29,000,000	17.2%
Mind Extension University	63	1,300,000		
The Motivation Network	13	200,000	886,000	-77.4%
Movietime	60	4,000,000		
Music Television (MTV)	4,340	37,100,000	32,600,000	13.8%
The Nashville Network	6,330	37,000,000	26,600,000	39%
National Jewish Television (NJTV)	295	6,800,000	5,569,000	22.1%
National Shopping Club	65	1,500,000		
NewJaz-TV	200	300,000		
Nick At Night	3,862	31,000,000		
Nickelodeon	5,430	35,800,000	30,300,000	18.2%
The Nostalgia Channel	150	1,400,000	850,000	64.7%
QVC Network	731	10,935,000	10,500,000	4.1%
Shop Television Network	60	3,000,000		
Silent Network	300	9,500,000	6,800,000	39.7%
Telshop			10,500,000	4.8%
Tempo Television	700	14,500,000	12,500,000	16%
The Travel Channel	220	7,000,000	5,000,000	40%
Trinity Broadcasting Network	523	7,037,000	6,387,000	10.2%
USA Network	9,200	41,000,000	35,000,000	17.1%
Video Hits One (VH-1)	1,697	20,800,000	17,300,000	20.2%
Video Shopping Mall	600	14,000,000	N/A	
The Weather Channel	3,100	31,600,000	24,000,000	31.6%
WGN-TV	10,809	23,888,216	22,180,000	7.7%
WOR-TV	2,293	9,657,482	8,669,134	11.4%
WPIX-TV	617	5,875,212	2,434,000	26.4%
WTBS-TV	12,640	42,528,000	39,330,000	8.1%
Pay services				
American Exxxtasy	35	25,000		
American Movie Classics	1,300	9,000,000	2,000,000	350%
Bravo	350	1,000,000	350,000	185%
Cinemax	3,650	4,100,000	4,100,000	NC
The Disney Channel	4,300	3,175,000	3,000,000	5.8%
Festival	N/A	N/A		
Home Box Office (HBO)	6,700	15,000,000	15,000,000	NC
The Movie Channel	3,250	2,600,000	3,250,000	-20%
The Playboy Channel	600	520,000	732,000	-28.9%
Showtime	3,200	5,700,000	5,400,000	5.5%
Audio services				
Cable Radio Network	39	1,300,000	1,600,000	-18.7%
KKGO Super Jazz	16	131,832	98,521	33.8%
Moody Bible Institute	62	937,611	923,102	1.5%
Satellite Radio Network	251	740,000	740,000	NC
Seeburg Lifestyle Music	142	2,576,836	2,465,000	4.5%
Seeburg Lifestyle Adult Contemporary	26	854,390	536,000	59.3%
Tempo Sound	107	1,250,000	1,000,000	25%
WFMT Chicago	177	1,233,355	1,257,000	-1.9%

1987 amounts were taken from the Feb. 16, 1987 issue.

Text services	Affiliates	1988 subs	1987 subs	change
AP News Cable	185	2,500,000	3,600,000	-30.5%
AP Business Plus	54	1,400,000		
AP News Plus	75	2,100,000	1,500,000	40%
Cable SportsTracker	40	875,328	2,045,000	-57.2%
DBC/MarketWatch	240	5,000,000	N/A	N/A
Electronic Program Guide (EPG)	321	6,494,395	5,643,000	15%
EPG Jr.	161	152,178	76,655	100%
EPG Prevue	N/A	N/A		
Genesis Cable Storytime	37	1,505,000	1,033,000	45.7%
Reuters News View	127	2,437,000	3,250,000	-25%
TV Decisions	177	6,818,487	6,400,000	6.5%
UPI Data Cable	450	4,000,000	4,000,000	NC
X*Press	346	1,200	1,000	20%
X*Press Exchange	346	6,400		

Non-satellite-fed national services

Bicycled services	Affiliates	1988 subs	1987 subs	change
Cable Video Entertainment	205	15,500,000	5,600,000	176%
Fuji Network	3	12,000	11,044	8.6%
Nippon Golden Network	3	12,780	11,044	15.7%
Telaction	N/A	N/A		
Vector Consumer News	5	200,000	325,000	-38.5%
Vector Consumer Shopping Guide	9	325,000	407,000	-20.1%

Regional entertainment services

Basic services	Affiliates	1988 subs	1987 subs	change
Atlanta Interfaith	7	160,000	150,000	6.6%
Bay Area Religious Channel (BARC)	6	113,000	113,000	NC
Buffalo Sabres Hockey	6	455,000	400,000	13.7%
Cable TV Network of New Jersey	35	1,364,836	1,300,000	4.9%
The Ecumenical Channel	9	170,000	149,000	14%
KTVT	415	3,502,352	1,882,000	8.6%
Life Newsvision	35	50,000	50,000	NC
Madison Square Garden	92	2,092,434	2,015,000	3.8%
Meadows Racing Network	15	600,000	446,000	34.5%
MetroChannel			118,000	
News 12 Long Island	7	500,000	500,000	
Prime Cable	8	344,350		
Prime Ticket	37	2,250,000	1,600,000	40.6%
SportsVision (Chicago)	47	1,025,200	610,000	68%
Pay services				
Home Sports Entertainment Houston/Dallas	140	450,000	216,000	108%
Home Team Sports	114	719,000	500,000	44%
New England Sports Network	157	213,171	172,178	23.8%
PRISM-Philadelphia	88	415,420	370,000	12.2%
Pro-Am Sports	140	301,000	112,000	168%
SportsChannel (Florida)	2	45,000		
SportsChannel (New England)	147	800,000	363,000	120%
SportsChannel (New York)	92	1,000,000	562,000	77.9%
Z Channel	17	80,000	89,500	-10.1%

Note: Figures for affiliate and subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Attention: Candace Drake, Cable Stats, 432 Park Avenue South, Suite 1109, New York, NY 10016.
N/A denotes information not available.
NC denotes no change.
TBA denotes to be announced.

Announced services

Satellite-fed services	Expected launch
ATV:Advertising Television	1st Quarter 1988
Americana Network	2nd Quarter 1988
Cable TV & Appliance Network	2nd Quarter 1988
International Cablecasting's CD/8-	1st Quarter 1988
The Digital Music Network	3/88
Kids Information Network	2nd Quarter 1988
The Landscape Channel	1st Quarter 1988
Laugh TV	2nd Quarter 1988
Main Street	1st Quarter 1988
The Preview Network	2nd Quarter 1988
Telamerica Broadcast Network	5/88
Teleworld Network Television	2nd Quarter 1988
Wingtips	3/88
You TV	